Enterprise NOW!

www.enterprisesaskatchewan.ca | Saskatchewan's quarterly newsletter on people and business engaged in economic growth | Volume 6 ▸ Summer 2010

From Grain Elevators to Spectacular Homes: Recycling Old Growth Timber

By Virginia Wilkinson

Lincoln Dobson is as passionate about building timber homes as he is about the recycling he does to access the timbers.

"The homes, with their open timber beams and rafters, are beautiful–and they resonate with power because of the way they're constructed," he said.

Timber framing is an age-old art that incorporates the use of large timbers in the framing of buildings and homes. The structures use mortise and tenon connections, and hardwood pegs instead of nails. Years ago large homes, barns and churches were all built this way using large, old growth timber.

Over time, and with the disappearance of old growth forests, that type of construction virtually disappeared as well. Recently there has been renewed excitement about this form of building.

Dobson became interested in timber construction in the mid-1990s when he worked on timber home construction in BC. But his first foray into the sector was as a timber supplier.

In the late 1990s, as the demolition of grain elevators began to peak in Saskatchewan, Dobson opened Last Mountain Timber Wrighting & Recycling at Regina Beach. He began salvaging the timber from these prairie landmarks and re-selling it to other timber frame companies across North America. Over the past 12 years, he has recycled timber from more than 140 grain elevators and a dozen warehouses.

continued on page 7

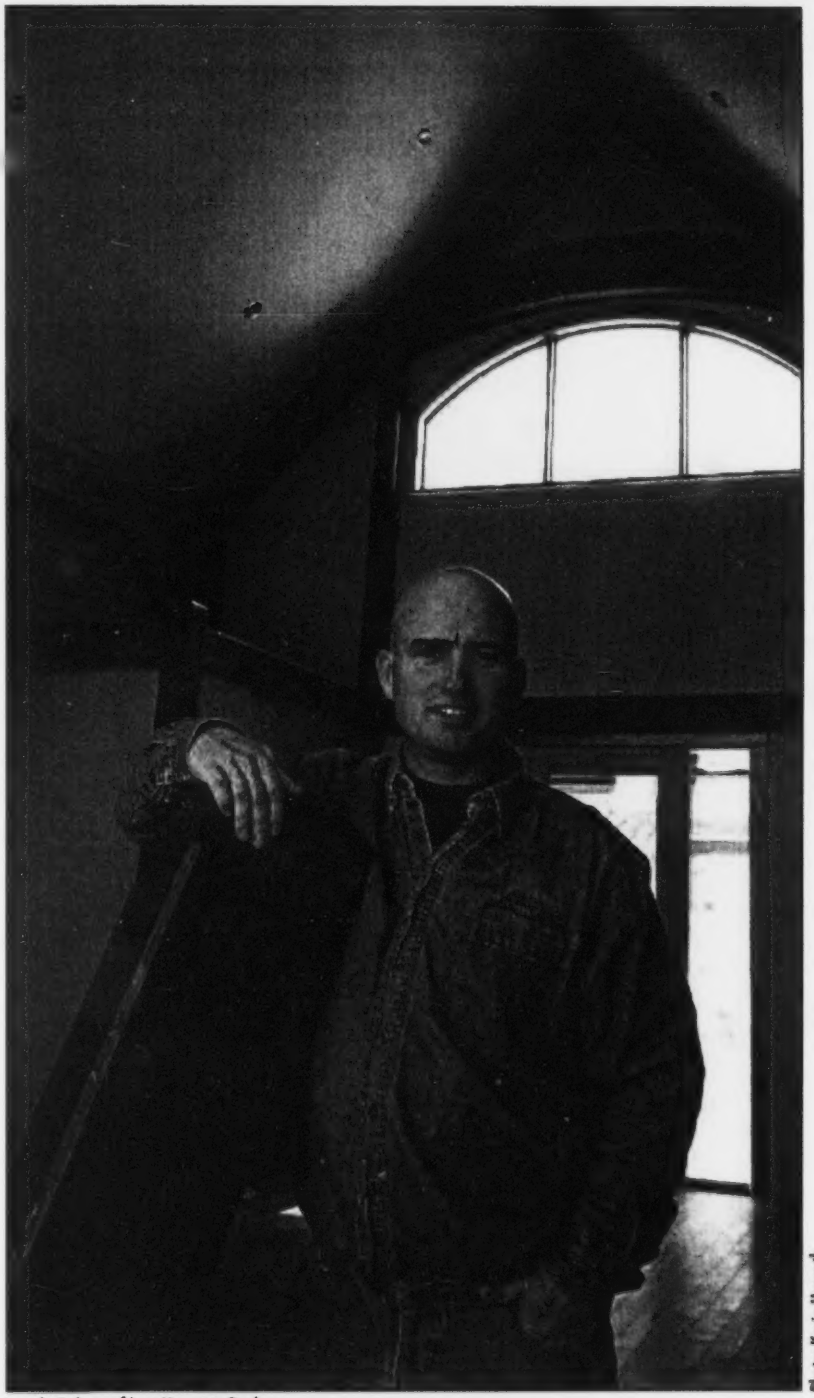


Photo: Kevin Hogarth

Lincoln Dobson of Last Mountain Timber

A New Niche for Sask Diamonds

By Virginia Wilkinson

Saskatchewan may soon be home to a unique new line of Canadian diamonds thanks to a company based out of Prince Albert which has created and patented a new series of diamond designs.

The new designs include the Sirus Star, the CenSation and the Long Zuan. They all provide more facets to each diamond, ensuring more brilliance and shimmer.

The designs were created by Mike Botha, who owns Embee Diamond Technologies Inc. with his wife Susanna and son Evert. Mike said he created the new designs because the popular round brilliant cut has been around for a hundred years. He feels people are looking for something new.

"We believe that with our new diamond cuts we can fill that market niche," he said. "We hope to become the leading provider of niche diamonds in Canada."

Botha has been a diamond cutter for more than 40 years. He began his career in South Africa and also worked on large diamonds in Russia. He has cut some significant diamonds in his career, including part of the Premier Rose diamond which weighed 353.9 carats.

He was brought to Canada in 1997 to cut a 314 carat diamond, the largest ever cut and polished in this country. He decided to stay, and moved to the Northwest Territories in 2001, where he worked as the occupational certification officer in the diamond industry, and led the diamond training program at Yellowknife's Aurora College.

Botha located Embee Diamonds in Prince Albert in 2008 because of its proximity to Fort a la Corne, the site of one of the world's most extensive kimberlite finds.

"Once the mine goes into production, Saskatchewan will definitely become a force to be reckoned with," he said.

Embee Diamonds will not only sell new cuts of diamonds, it will also cut and polish traditional diamond cuts. In addition to Embee Diamonds, Botha is establishing the Canadian Diamond Academy which will provide training for retail sales people to improve their knowledge of diamonds and cuts as well as their sales techniques.

A significant amount of pre-marketing work has already been done for the new diamond designs. A number of retailers from across Western Canada, as well as in Quebec, Ontario, Boston and Chicago, will be selling the new gems.

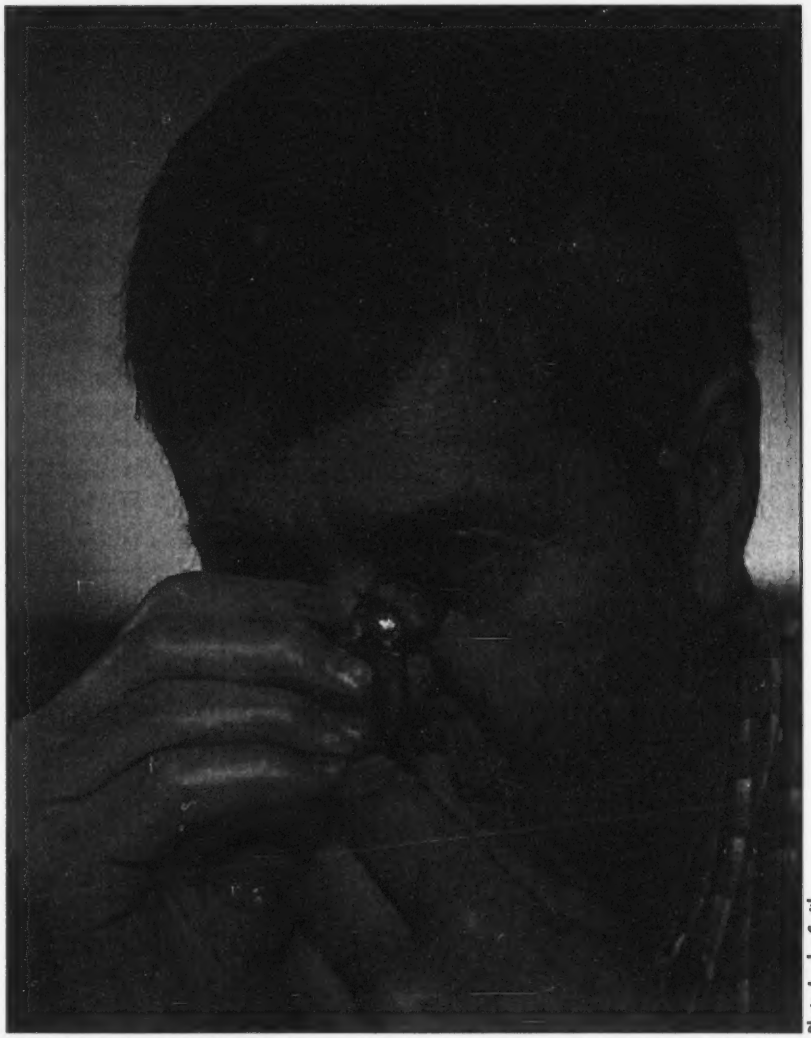


Photo: Lyndon Smith

Mike Botha of Embee Diamond Technologies

New Opportunity in an Ancient Crop

By Dave Yanko

Greek philosopher and mathematician Pythagoras is said to have used mustard as a remedy for scorpion stings, while ancient Egyptians included mustard seeds when outfitting King Tut's tomb for its owner's journey to the afterlife. In fact, Sumerian and Sanskrit texts 5,000 years old make reference to mustard.

Today, mustard use is global, its broad appeal one of the factors favouring Mustard Capital Inc. (MCI), a community-owned mustard milling operation centred in Gravelbourg.

"In many respects, the world is our stage," says Tom Halpenny, CEO of the start-up launched in 2007. "Basically, every continent except Antarctica has a declared market and we've provided to just about every continent so far."

In spite of its exotic past, mustard now is largely a Canadian export crop. Halpenny says 60 to 75 per cent of world trade in mustard seed originates in Western Canada.

"The growing conditions in the northern hemisphere here tend to generate the flavour profile and quality of product that is generally well regarded," he says.

"Over time, and although mustard is an old seed in terms of human food use, it has coalesced in Western Canada as a consequence of quality and some superior breeding that we've done here a few decades ago."

MCI mills yellow, brown and oriental mustard seed for commercial and wholesale customers around the world—the United States is MCI's biggest customer. Halpenny says seed is milled to remove the bran or reduce the particle size for use as the primary ingredient in the popular condiment, or as a co-ingredient in foods such as salad dressings, barbecue sauces and processed meats.

The company employs 14 full-time employees in the heart of south-central Saskatchewan's primary mustard growing region. A new milling facility under development at Vanguard, about 60 km west of Gravelbourg, will triple MCI's capacity and employ several additional staff.

While the expansion is in keeping with MCI's "grow as we go" strategy, Halpenny says the young company faces its share of challenges, including the wildly fluctuating Canadian currency and the effects of the recession on markets. But he says there are some clear advantages to doing business in rural Saskatchewan, including an abundance of low-cost land and productive, generally skilled and available labour.

There are also the intangibles.

"Located in rural Saskatchewan, we tend to get a lot of local support for everything from manufacturing to the availability of electrical contractors," Halpenny says.

"I just know that in the larger centres, where you have to compete for scarce resources, you may or may not get these things, or the cost will be considerably greater."

Photo: Lyndon Smith

Tom Halpenny, CEO of Mustard Capital Inc.

Thinking Inside the Box

By Virginia Wilkinson

You might be surprised at how comfortable living in a box can be.

3twenty Solutions, a new Saskatchewan company, has just begun designing and manufacturing industrial worksite structures and accommodations—all from recycled steel shipping containers.

There are more than 700,000 empty shipping containers sitting idle across North America. They're used to bring a variety of different imports here from around the world. Because of this, we are left with an ever-increasing oversupply of these large, steel boxes.

Recently, an innovative group of university students discovered these wasted containers could be used as the source for a unique new housing product. They also realized that by finding uses for the containers, the group would be helping to address a significant environmental issue.

"The containers not only enable us to create new affordable housing options, they're also a green alternative," said Bryan McCrea, one of 3twenty Solutions' owner/partners.

"Because 3twenty is able to turn these steel containers into worksite and housing structures, we're giving new life to otherwise wasted material."

Just over a year ago, 3twenty Solutions was no more than a unique idea tossed around by a trio of fourth-year business and engineering students from the University of Saskatchewan. In the spring of 2009, the students created a concept for the company and submitted it to the 13 Idea Challenge at the Wilson Centre for Entrepreneurial Excellence.

In May they were selected as the contest winners, and were awarded $30,000 in cash and another $30,000 in business services from Deloitte, Mcpherson, Leslie Tyerman (MLT) Lawyers and ZU.

"The cash enabled us to commercialize our project. The services allowed us to set up the business," said McCrea.

McCrea and partners Channing McCorriston and Evan Willoughby initially focused the company on developing residential housing products, but quickly found a significant demand for worksite and accommodation structures in the resource sector.

continued on page 7

Photo: Kevin Hogarth

Channing McCorriston, Bryan McCrea, Evan Willoughby of 3twenty Solutions

On to Something Big: Prairie Innovation

By Darrell Noakes

Prairie Innovation Enterprise Region (PIER) is on the verge of tapping into huge economic potential.

BHP Billiton made headlines earlier this year, announcing a $240 million investment toward a potential mine between Jansen and LeRoy. The company is exploring other projects at Boulder Lake and Young, and has purchased the Athabasca Potash site south of Humboldt.

"It affects many, many communities in the region," says Malcolm Eaton, Mayor of Humboldt and Chair of PIER's Board of Directors.

"That's probably the most significant potential future economic development activity that's going on. It certainly has the communities in the region–and many businesses as well–very interested in that development, should it occur."

The region is also a hub of well-established manufacturing enterprises, an area known colloquially as the "Iron Triangle", including Bourgault Industries in St. Brieux, Doepker Industries in Annaheim and Schulte Industries in Englefeld. The southern portion contributes a mix of tourism and agriculture and includes the renowned Little Manitou Lake.

Eaton says the region's biggest issues are labour retention and housing. Industry can't attract workers while housing remains in short supply.

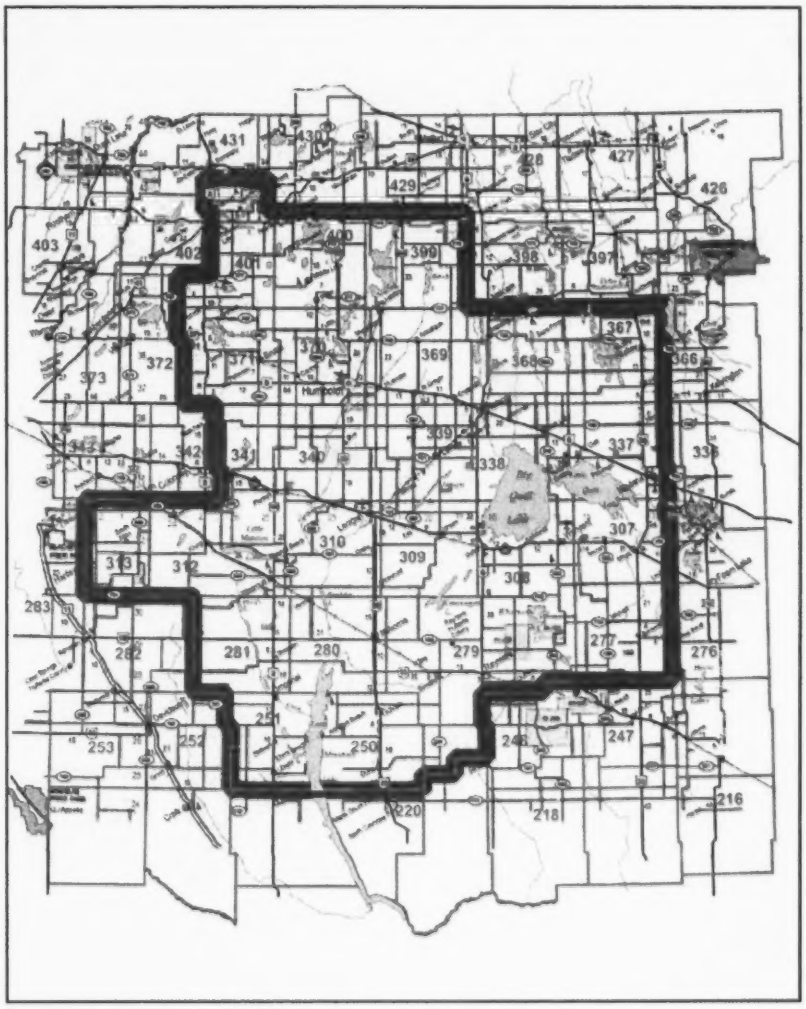
"It's a huge issue and it's one that will be exacerbated as BHP and other industries establish themselves," says Sylvia Waterer, PIER's CEO.

"Our business plan is built around objectives to work with industry and communities to address those issues," Eaton says.

To that end, PIER is working on three major projects: the PIER Knowledge Base, a business retention and expansion project which will identify industry needs and economic development opportunities, the Investment Ready Partnership Project, which tackles housing, and provides development tools for communities and housing business plans for industry, and the Immigration Gateway Information Centre, which provides support for immigrants attracted to work within the region.

"The Knowledge Base project is extremely important as it will provide the basis for the development of our strategic plans," says Waterer.

"Our focus is on the fundamental issues related to the health of industries."



Prairie Innovation Enterprise Region Map

Waterwolf: An Idea With Some Teeth

By Darrell Nookes

Aggressive as northern pike–the "water wolf".

That's how Waterwolf Economic Development Inc. wants the world to see their region. Launched in 2005, the corporation has sparked a revival of rural business and development.

Waterwolf is an initiative created by a partnership representing 38 municipalities and a population of 22,000 in an area half the size of Nova Scotia surrounding the South Saskatchewan River and Lake Diefenbaker, stretching from just south of Saskatoon nearly all the way to Saskatchewan Landing.

Since 1950, the province's economic drivers have shifted from rural Saskatchewan to the cities.

"We need to redefine how we relate to those urban centres," Waterwolf project manager Russ McPherson says. "We need to redefine what the 'new rural' is. There's a really broad and aggressive look at starting to restructure the economy."

In five years, Waterwolf has done a remarkable job of driving that shift. Tourism, based around Lake Diefenbaker and the river valley, is an obvious choice, but so are manufacturing industries that support potash, and value-added agricultural development, such as wine-

continued on page 8

"We need to redefine what the 'new rural' is"

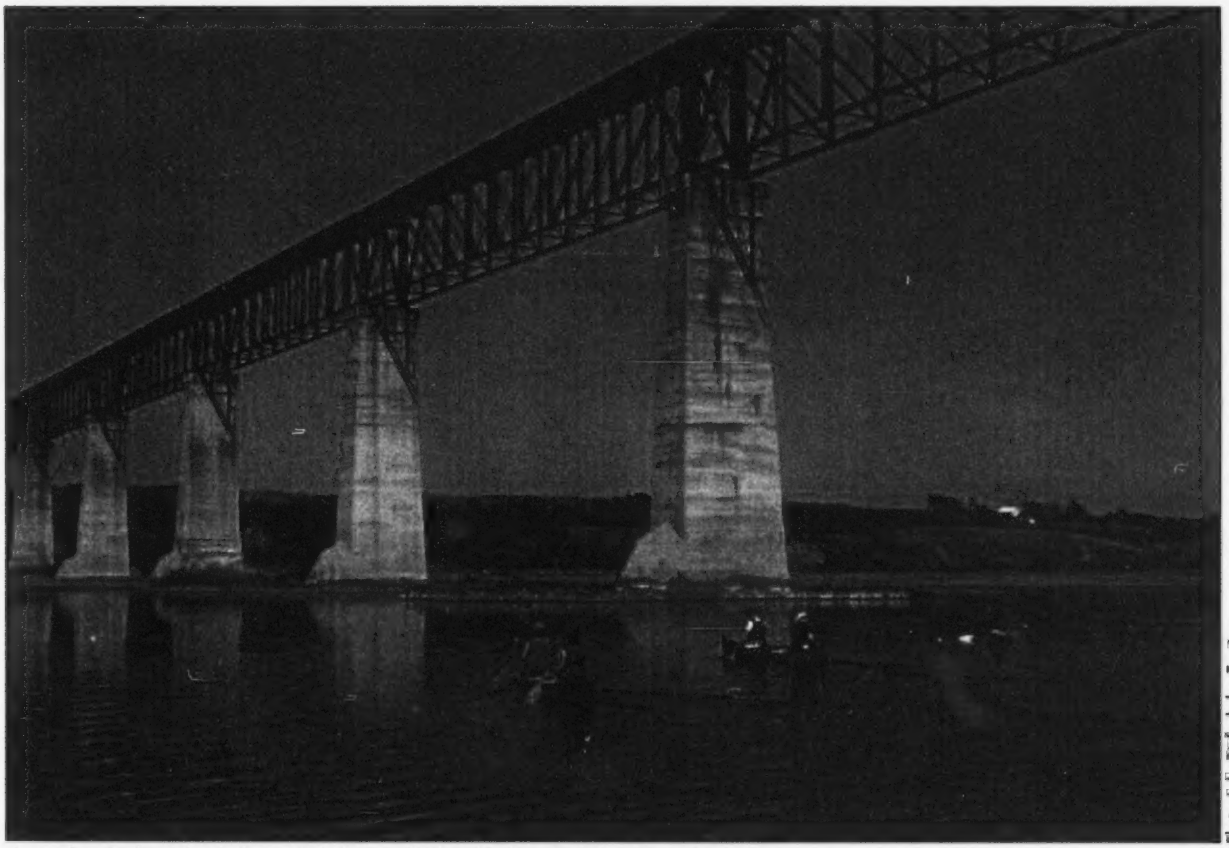


Photo: Lake Diefenbaker Tourism

The view from the shore below the former CPR bridge, now the Skytrail Bridge, in Outlook and District Regional Park

Recycling Old Growth Timber continued from page 1

He believes the recycled wood is a much better construction product.

"When I was in BC we were working with green wood. When we would go back and see the project a couple of years later, it was all gapped and twisted. At one point we used some recycled stuff. It was drier and didn't shrink–it's a much better product."

Before long, Dobson also began building his own timber homes.

To date he has built more than 60 homes, living rooms and entryways and supplied timber for hundreds of projects. He's created specialty products such as stairs, doors, plank flooring, baseboards, casings and some furniture. He said the demand for timber products is growing worldwide.

While he is proud of the products he creates, he is especially proud that they incorporate the legacy of Saskatchewan's early settlers.

"Saskatchewan's early settlers had these huge pieces of wood brought here by train. They built the elevators with a lot of hard work and determination," he said.

"We're helping to recapture some of the passion and energy they put into these buildings, and incorporating it into other structures that will continue into the future."

Thinking Inside the Box continued from page 4

McCrea said the containers work extremely well in this sector.

"They were created to be transported, so they are easily moved around the country or from mine site to mine site, and they are made of steel so they are incredibly durable and can be moved without affecting their structural integrity," he said.

While its initial focus has been on creating structures for the resource sector, 3twenty will also be moving into the residential market. McCrea expects 3twenty will begin manufacturing residential containers within the next 18 months.

"There is absolutely unlimited opportunity. The containers are really affordable so they'll provide some exciting new residential options. I'm getting phone calls all the time from people looking for residential products."

He said there has also been significant interest from people looking for containers that could be used as cabins.

Most of the containers provide an area of 320 square feet–which led to the creation of the company name. McCrea said some callers have wondered whether the living space would be tight.

> "The time is now to be an entrepreneur, especially in Saskatchewan. There are so many possibilities here."

"People are always amazed at the space inside these containers. When you walk into one of them it's always so much bigger than people expect. We ask people to come into the space, have a look around, and then we invite them to draw their dreams. It's exciting to see what unique concepts the company and our customers can create within the four steel walls."

3twenty expects to move a significant number of its structures into the market this year. The company is forecasting sales of 30-40 units in 2010. McCrea said while this year has been exciting, he expects next year to even better.

"The time is now to be an entrepreneur, especially in Saskatchewan. There are so many possibilities here, and a very supportive mentorship network. It's exciting to be able to create and add value to this growing province," he said.

"It's a great opportunity."

Waterwolf continued from page 6

quality grapes suitable for the prairies. But there's only so much that an economic development corporation can do. To go further, the region created Waterwolf Planning Commission, an advisory planning body under the control of the municipal governments in the region, set to launch in spring of 2010.

The commission will support regional standards for growth, common approaches to development and protection of sensitive environmental areas.

It will provide regional planning services, McPherson says, with a long-term aim that includes technical services such as engineering and water analysis.

Rural Saskatchewan is struggling with growth, says Mary Lou (M.L.) Whittles, who, as Vice-chair of the Mid-Sask Enterprise Region and Community Futures and president of the Kenaston and District Chamber of Commerce, has pushed Waterwolf from its inception.

"We were on such a decline," she says. With the planning commission, municipal governments are turning that around and taking control of renewed growth.

"Everybody is sitting at the same table and thinking regionally, thinking, 'if this if going to be good for the region, this is going to be good for all'," she says.

"We all benefit."

Produced by: Saskatchewan Business Magazine
2213B Hanselman Court, Saskatoon, SK S7L 6A8
Tel: (306) 244-5668 Fax: (306) 244-5679

Enterprise NOW!

For more information, contact:
Jamie Shanks, Editor
Enterprise Saskatchewan
Tel: (306) 798-0503
Fax: (306) 787-8447
E-mail: jamie.shanks@enterprisesask.ca

For subscription information, call: (306) 798-0503

Distributed as an insert of Saskatchewan Business and mailed to over 6,000 Saskatchewan businesses.

Return Undeliverable Canadian Addresses to:
Enterprise Saskatchewan
300-2103 11th Avenue
Regina, SK S4P 3Z8

ENTERPRISE SASKATCHEWAN

Published quarterly. Publication Mail Agreement Number 40045736